

FOR IMMEDIATE RELEASE

June 18, 2012

Company Name: **Leopalace21 Corporation**
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**Notice Concerning Approval for Exercise of Stock Acquisition Rights
(with option to reset strike price) issued through Third Party Allotment
(Target Issue Program “TIP” subject to Issuer’s approval for exercise)**

Leopalace21 announces that it has granted approval for exercise of the 1st series of stock acquisition rights (“SARs”) issued to Deutsch Bank AG, London Branch (“DBL”) through third party allotment on February 27, 2012, based upon prior agreement with DBL with respect to the SARs (Target Issue Program “TIP” subject to issuer’s approval for exercise).

1. Name of SARs	Leopalace21 Corporation 1 st Series of Stock Acquisition Rights
2. Notification date of approval for exercise	June 18, 2012
3. Period during which SARs may be exercised	Within 20 business days of the notification date of approval for exercise
4. Number of SARs permitted to be exercised	14,000,000
5. Class and number of shares issued upon exercise of SARs	Common stock One share issued for each SAR
6. Strike price of SARs	JPY 250

This translation is prepared for information purposes only. In the event of any inconsistency, the original terms in Japanese language should prevail.